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INFO RUEHLD/AMEMBASSY LONDON 5681  
RUFHUKI/AMCONSUL BELFAST 1907  
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UNCLAS DUBLIN 01026

E.O. 12356: N/A  
TAGS: PREL, UK, EI, US  
SUBJECT: ANGLO-IRISH AGREEMENT -- WEEKEND PRESS ON US  
AID PACKAGE

1. WEEKEND PRESS ON SUBJECT AID PACKAGE WAS LIMITED TO  
TWO ARTICLES IN "IRISH TIMES" (LIBERAL). FIRST WAS  
FACTUAL REPORT BY WASHINGTON CORRESPONDENT SEAN CRONIN  
ON STATUS OF BILL:

BEGIN TEXT. "US SENATE TO REVIEW AID BILL"

AS THE US HOUSE OF REPRESENTATIVES VOTE ON TUESDAY ON  
THE AID PACKAGE FOR IRELAND, THE SENATE FOREIGN  
RELATIONS COMMITTEE WILL BE HOLDING HEARINGS ON THE  
IDENTICAL BILL INTRODUCED IN THE SENATE BY SENATOR  
EDWARD KENNEDY.

HOUSE RULES WILL BE SUSPENDED FOR TUESDAY'S DEBATE,  
THE FOREIGN RELATIONS COMMITTEE CHIEF OF STAFF SAID,  
WHICH MEANS THAT THE AID BILL WILL REQUIRE A TWO-THIRDS  
MAJORITY VOTE TO PASS.

DEPENDING ON SENATE ACTION, THE BILL COULD MOVE  
THROUGH CONGRESS TO BE SIGNED INTO LAW BY PRESIDENT  
REAGAN ON ST. PATRICK'S DAY.

BUT SENATOR RICHARD LUGAR, CHAIRMAN OF THE FOREIGN  
RELATIONS COMMITTEE HAS LINKED THE AID BILL WITH THE  
EXTRADITION TREATY BETWEEN THE US AND BRITAIN, WHICH  
WOULD DELAY PASSAGE OF THE BILL, IF IMPLEMENTED.

THE ONLY CONDITION ON THE AID IN THE HOUSE BILL, MR.  
BRADY SAID, IS THAT NONE OF THE ASSISTANCE MAY BE  
USED FOR INTELLIGENCE OR SECURITY PURPOSES. BUT THE  
HOUSE FOREIGN RELATIONS COMMITTEE DID ADOPT A NUMBER OF  
"GUIDELINES" WHICH INCLUDE A CLAUSE FORBIDDING  
RELIGIOUS DISCRIMINATION IN THE DISBURSEMENT OF THE  
AID. END TEXT.

2. SECOND "IRISH TIMES" ARTICLE, HEADLINED  
"SUSPENSION OF PACT WOULD IMPERIL US AID," BY BELFAST  
REPORTER ANDY POLLAK, CONTAINED FOLLOWING EXCERPTS:

BEGIN TEXT. THE US AMBASSADOR TO IRELAND, MRS.  
MARGARETE HECKLER, SAID YESTERDAY THAT THE 250

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MILLION DOLLAR AID PACKAGE FOR NORTHERN IRELAND  
CURRENTLY GOING THROUGH THE US CONGRESS CONTAINED "NO  
PROVISION FOR ANY SUSPENSION" OF THE ANGLO-IRISH  
AGREEMENT.

MRS. HECKLER SAID THAT TO JEOPARDIZE THE AGREEMENT'S  
OPERATION WOULD BE "VERY, VERY COUNTER-PRODUCTIVE" IN  
TERMS OF THE US PACKAGE, WHICH SHE SAID WAS "THE ONLY  
NEW FOREIGN AID INITIATIVE ON THE CONGRESSIONAL AGENDA  
THIS YEAR" BECAUSE OF US BUDGETARY REQUIREMENTS AND THE  
RESTRICTIONS OF A NEW BUDGET LAW.

IN A BBC RADIO INTERVIEW, SHE SAID THE PURPOSE OF THE  
PACKAGE, WORTH 50 MILLION DOLLARS A YEAR OVER THE  
NEXT FIVE YEARS, WAS TO SHOW SUPPORT FOR THE  
ANGLO-IRISH AGREEMENT, AND TO HELP REPLENISH THE  
NORTH'S INADEQUATE HOUSING STOCK, PROVIDING FINANCE  
FOR BUSINESSES, PARTICULARLY SMALL BUSINESSES, AND  
FUND PROJECTS TO DEAL WITH UNEMPLOYMENT IN NORTHERN  
IRELAND AND THE BORDER COUNTIES.

MRS. HECKLER SAID THE AID WOULD NOW DEFINITELY BE  
COMING, BUT DIFFERENCES BETWEEN THE US GOVERNMENT AND  
CONGRESS OVER ITS COMPONENT PARTS STILL HAD TO BE  
WORKED OUT. THE GOVERNMENT'S PACKAGE PROVIDES FOR AN  
OUTRIGHT GRANT OF 20 MILLION DOLLARS PER YEAR TOGETHER  
WITH UP TO 30 MILLION DOLLARS IN VARIOUS FUNDING  
MECHANISMS SUCH AS GOVERNMENT LOANS, CREDITS FOR  
INVESTORS AND LOAN GUARANTEES FOR HOUSE BUILDERS.

MRS. HECKLER SAID THAT A SECOND SET OF PROPOSALS FROM  
THE HOUSE OF REPRESENTATIVES FOREIGN AFFAIRS COMMITTEE  
PROVIDES FOR STRAIGHT FINANCIAL FUNDING OF 50 MILLION  
DOLLARS PER YEAR WITHOUT THE LOAN PROVISIONS AND  
GUARANTEES OF THE GOVERNMENT'S PACKAGE. END TEXT.

3. COMMENT: REMARKS ATTRIBUTED TO AMBASSADOR REGARDING  
THE SUSPENSION OF AGREEMENT WERE MISINTERPRETED AND  
TAKEN OUT OF CONTEXT OF A TELEPHONE INTERVIEW FOR BBC  
RADIO DEVOTED PRIMARILY TO DETAILS OF ADMINISTRATION'S  
PROPOSED US AID PACKAGE. NO STATEMENT WAS MADE  
CONNECTING A "SUSPENSION" OF THE PACT TO PROBLEMS WITH  
THE US AID PACKAGE.

HECKLER  
END OF MESSAGE

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